

12 May 2022

EGM Chairman's Address

The Board can confirm that the election and interest rate rises have begun to negatively affect enquiries in the last week.

However, the Board has formed a view that the business is well positioned to take advantage of the changing environment for the following reasons:

- Remains debt Free with continuously increasing cash balances.
- Current Board members with over 100 years of combined industry experience and two board members have experienced previous major downturns.
- The company has retained key experienced staff over the past 2 years all of whom have been with the company long-term, but are still relatively young.
- Ongoing traditionally favourable market conditions for Tamawood with shortages of rental accommodation likely to persist for several years.
- Level of new contracts being signed at prices that the Board believes are sufficient to address rising material and labour costs
- Increased number of ex-patriots returning to Australia due to uncertainty around security in Europe.
- Higher interest rates, leading to reductions in borrowing capacity, should increase market share of lower cost builders like Tamawood.
- Accessible housing requirements introduced in the latest release National Construction Code, having additional cost implications to the industry already under pressure, require our competitors to incorporate design changes such as wider door openings, wider hallways, bigger bathrooms, and toilets, most are already included and priced into our current designs.

The acquisition of Astivita, with their supplier relationships, will further secure Tamawood's supply of P.C.-Items, needed to finish homes, and enable us to hold six months of stock and order in advance, a must considering recent global events including:

- The rapidly evolving energy crisis, which is significantly affecting the cost and availability of building materials and P.C. items.
- Ongoing lockdowns in China, due to Covid-19, having further negative impact on builders' ability to obtain essential products, and correctly price future work.

Authorised by:
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Chairman